

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
Clarification of the Territorial Exclusivity Limits of)	MB Docket No. 04-75
Section 73.658(b) of the Commission's Rules as Applied to the)	
Restrictions on Access to NBC Network Programming in the)	
Great Falls, Montana Community in a Certain Arrangement)	
Involving Television Broadcast Stations KBAO, Lewiston, MT <i>et al.</i>)	

**REPLY COMMENTS OPPOSING REQUEST FOR EXPEDITED DECLARATORY RULING
BY MAX MEDIA OF MONTANA LLC**

Max Media's speculative assertions aside, there is no factual or legal basis for Commission interference in NBC's independent business judgment to allow NBC's affiliation agreement with Television Broadcast Station KTGF, Great Falls, Montana (the "Station") to expire by its terms as of July 2005.

Max Media's allegations continue to pretend that NBC is somehow restrained from taking whatever action it wishes with regard to future affiliations with stations assigned to Great Falls, Montana. As NBC's initial filing in this matter underscores,¹ once Max Media's agreement with NBC expires, there is no existing agreement that precludes NBC from affiliating with any television facility assigned to Great Falls, Montana.

Max Media also continues to assert that NBC has no other reason not to continue to affiliate with the Station. That self-serving allegation is completely undermined by the facts. First, NBC made its initial decision not to re-affiliate with the Station as of 1999, or before Max Media even owned the Station. At that time, the Station was owned by an entity with no other NBC affiliations, and NBC simply decided that it did not want to continue to bear the costs of the affiliation with the Station. That decision is entirely consistent

¹ Comments of National Broadcasting Company, Inc., Opposing Declaratory Request of Max Media, LLC (filed April 28, 2004) (the "NBC Comments"). These comments supplement and are in addition to the NBC comments.

with the business decisions of other major networks in the Helena and Great Falls DMA – both CBS and ABC rely on only a single full-power stand-alone affiliate to cover the two markets.²

Second, Max Media's performance after it acquired the Station has given NBC no reason to amend its prior determination. As noted in the NBC Comments, among other concerns, Max Media:

- has failed to honor obligations with regard to the Station *and* other NBC affiliation agreements;
- affirmatively seeks to abandon its NBC affiliated station in order to acquire the Great Falls, Montana, ABC affiliate;
- has decided to contribute to the rapid turnover associated with the Station by trying to sell the Station to a third party trustee who is tasked with selling the Station to yet another, as yet unknown to NBC, party.

Beyond these specific concerns noted in the NBC Comments, NBC has other concerns with Max Media and the current operations. For example, NBC has been aware that Max Media, since late 2002, has been creating the Station's "local" news in Iowa – a state located in a different time zone and more than 700 miles away from Great Falls, Montana – and transmitting it to the Station. Although NBC does not interfere in the daily operations of its affiliates, it is NBC's preference to affiliate with stations that produce local news in the same area or state where that news is to be aired.

NBC has recently sent its non-renewal notice to Max Media. (As noted in the NBC Comments, NBC customarily sends these notices out far in advance of their actual due date.) Since NBC has no reason to be sure, at this time, that Sunbelt will complete the obligations Max Media alleges it to have under the alleged arrangement, this mailing of the nonrenewal notice again underscores that NBC is not conditioning its non-renewal of the Station on any action by Sunbelt or any other party.

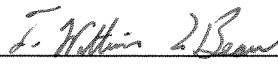
² CBS affiliates with KRTV(TV), Great Falls, Montana, and ABC affiliates with KFBB-TV, Great Falls, Montana (which Max Media has currently proposed to acquire). Neither ABC nor CBS affiliates with a full-power stand-alone television station in the neighboring Helena DMA. Fox, UPN and Pax share a full-power affiliate in the market – KLMN(TV), Great Falls, Montana – and, of those three networks, only Pax has a full-power affiliate in the Helena DMA. See Broadcasting & Cable Yearbook 2003-2004 at B-165, B-169.

CONCLUSION

Accordingly, Max Media's Declaratory Request should be promptly dismissed or denied.

Respectfully Submitted,

NATIONAL BROADCASTING COMPANY, INC.



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Its Senior Regulatory Counsel and Assistant Secretary

May 10, 2004

DECLARATION

I, John Damiano, Senior Vice President of Affiliate Relations, hereby declare, to the best of my personal knowledge and belief, and under penalty of perjury, that the foregoing Reply Comments are true and accurate.

A handwritten signature in dark ink, appearing to read "John Damiano", is written over a horizontal line.

John Damiano

Senior Vice President, Affiliate Relations

Dated: May 10, 2004

CERTIFICATE OF SERVICE

I, Martha A. Shiles, do hereby certify that on this 10th day of May 2004, I caused copies of the foregoing "Reply Comments Opposing Request for Expedited Declaratory Ruling by Max Media of Montana LLC" to be served by prepaid, first-class mail on:

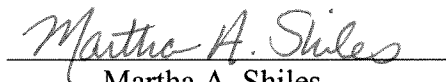
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